



2015 Final Results

March 11, 2016
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Computacenter PLC
11 March 2016

Computacenter plc

Final results for the year ended 31 December 2015

Computacenter plc ("Computacenter" or the "Group"), the independent provider of IT infrastructure and services that enables users and their business, today announces audited results for the year ended 31 December 2015.

Financial Highlights

	2015	2014	Change	(per cent)
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Financial Performance

Adjusted revenue ¹ (£ million)	3,054.23	2,063.3	(0.3)	
Adjusted profit before tax ¹ (£ million)	86.9	81.1	7.2	
Adjusted diluted earnings per share ¹ (pence)	53.4	44.1	21.1	
Dividend per share (pence) ³	21.4	19.0	12.6	
Statutory revenue (£ million)	3,057.63	1,107.8	(1.6)	
Statutory profit before tax (£ million)	126.8	76.4	66.0	
Statutory diluted earnings per share (pence)	82.1	40.0	105.3	

Cash Position

Net Funds (<i>£ million</i>)	120.8	119.2	1.3
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Net cash flow from operating activities (<i>£ million</i>)	94.3	94.4	(0.1)
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Revenue Performance by Sector

Adjusted Services revenue ¹ (<i>£ million</i>)	990.3	982.1	0.8
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Adjusted Supply Chain revenue ¹ (<i>£ million</i>)	2,063.92	2,081.2	(0.8)
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Reconciliation between Adjusted and Statutory Performance

Adjusted profit before tax ¹ (<i>£ million</i>)	86.9	81.1
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Exceptional and other adjusting items:

Increase in estimated costs of redundancy and other restructuring in French business (<i>£ million</i>)	(1.5)	(9.1)
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Release of provision for onerous German contracts (<i>£ million</i>)	0.4	1.5
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Exceptional gain recorded on disposal of R.D. Trading Limited ('RDC') (<i>£ million</i>)	42.2	-
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Pre-disposal earnings of RDC in the year (<i>£ million</i>)	0.3	4.8
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Amortisation of acquired intangibles (<i>£ million</i>)	(1.5)	(1.9)
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Statutory profit before tax (£ million)

126.876.4

Operational Highlights:

- UK generates further revenue growth in Services. UK Adjusted Supply Chain¹ revenue performance flat against 2014, following a second half performance below Management's expectations;
- Germany delivers full year constant currency² revenue growth across both Supply Chain and Services, alongside a 13.6 per cent increase in Adjusted Operating Profit¹; and
- France performs ahead of Management's expectation for 2015, following a particularly strong Q4 performance in Supply Chain.

Mike Norris, Chief Executive of Computacenter plc, commented:

'Due to the highly cash generative nature of our business and despite approximately £242 million of cash being distributed to shareholders over the last 3 years, it is likely that by the end of 2016 Computacenter's Net Funds⁴ will be at record levels.

We are encouraged by the momentum we have in our German business going into 2016. The pleasing performance in France in 2015, while unlikely to accelerate in the short term, should be repeated.

The UK will have a more challenging year, particularly in the first half. Services revenue will decline in 2016 due to the expiry of a large contract at the end of the first quarter of 2015 and the large volume of business take-on last year creating a challenging comparison, coupled with the one-off £3 million gain highlighted in our Interim Statement in 2015.

We intend to increase the rate of spend on our strategic investments, which will be weighted towards the first half of the year, as we invest in our long term competitive advantage through our Income Statement.

While it is too early to make any firm commitments on the year as a whole and there is much work to be done, we expect 2016 to be a year of further progress. However, it is worth making clear that the effects referred to above will impact the phasing of our profit delivery and mean that the first half profit is expected to be below that reported for the same period in 2015.

The Company remains committed to long-term earnings per share growth through increased profitability and prudent use of our cash generation.'

¹ Adjusted revenue, adjusted Services revenue, adjusted Professional Services revenue, adjusted Supply Chain revenue, and adjusted administrative expenses excludes the revenue and administrative expenses from a disposed subsidiary, RDC, for both the current year and the comparative reporting year. RDC was sold on 2 February 2015. Adjusted operating profit or loss, adjusted profit or loss before tax, adjusted profit or loss for the year, adjusted earnings per share and adjusted diluted earnings per share are, as appropriate, each stated before: exceptional and other adjusting items including gain or loss on business disposals, amortisation of acquired intangibles, utilisation of deferred tax assets (where initial recognition was as an exceptional item or a fair value adjustment on acquisition), and the related tax effect of these exceptional and other adjusting items, as Management do not consider these items when reviewing the underlying performance of the segment or the Group as a whole. Each of these measures also excludes the results of RDC for both the current and comparative periods. Additionally, adjusted operating profit or loss includes the interest paid on customer-specific financing (CSF) which Management considers to be a cost of sale. A reconciliation between key adjusted and statutory measures is provided within the Group Finance Director's Review included within this announcement. Further details are provided in note 3 to the summary financial information included within this announcement.

² The performance of the Group and its overseas segments are shown, where indicated, in constant currency. The constant currency presentation, which is a non-GAAP measure, excludes the impact of fluctuations in foreign currency exchange rates. We believe providing constant currency information provides valuable supplemental information regarding our results of operations, consistent with how we evaluate our performance. We calculate constant currency percentages by converting our prior-year local currency financial results using the current year average exchange rates and comparing these adjusted amounts to our current year reported results or by presenting the results in the equivalent local currency amounts.

³ The comparative Dividend (pence per share) figure provided for 2014 has not been adjusted for the share capital consolidation that took place on 20 February 2015. The figures, as adjusted for the share capital consolidation, are provided within the section entitled 'Dividend' in this announcement.

⁴ Net funds includes cash and cash equivalents, CSF, other short or other long-term borrowings and current asset investment. A breakdown is provided within note 8 to the summary financial information included within this announcement.

Enquiries:

Computacenter plc:

Mike Norris, Chief Executive 01707 631601

Tony Conophy, Finance Director 01707 631515

Tulchan Communications:

James Macey White 0207 353 4200

Matt Low

DISCLAIMER - FORWARD LOOKING STATEMENTS

This announcement includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "anticipates", "believes", "estimates", "expects", "intends", "may", "plans", "projects", "should" or "will", or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this announcement and include, but are not limited to, statements regarding the Groups' intentions, beliefs or current expectations concerning, amongst other things, results of operations, prospects, growth, strategies and expectations of its respective businesses.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the actual results of the Groups' operations and the development of the markets and the industry in which they operate or are likely to operate and their respective operations may differ materially from those described in, or suggested by, the forward-looking statements contained in this announcement. In addition, even if the results of operations and the development of the markets and the industry in which the Group operates are consistent with the forward-looking statements contained in this announcement, those results or developments may not be indicative of results or developments in subsequent periods. A number of factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, those risks in the risk factor section of the 2014 Computacenter Annual Report & Accounts, as well as general economic and business conditions, industry trends, competition, changes in regulation, currency fluctuations or advancements in research and development.

Forward-looking statements speak only as of the date of this announcement and may, and often do, differ materially from actual results. Any forward-

looking statements in this announcement reflect the Groups' current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Groups' operations, results of operations and growth strategy.

Neither Computacenter plc nor any of its subsidiaries undertakes any obligation to update the forward-looking statements to reflect actual results or any change in events, conditions or assumptions or other factors unless otherwise required by applicable law or regulation.

LETTER FROM THE CHAIRMAN

A Year of Progress

As you, our shareholders, partners and employees know, we manage our business and its relationships for the long term. In 2015, we made good progress in managing our cash, and with the sale early in the year of our recycling subsidiary RDC, and substantial cash generation in 2014, we were able to return £121.4 million by way of special and ordinary dividends. We will continue our focus on working capital usage and cash generation for the long haul.

Operationally, we have completed the implementation of the Group Operating Model, which enables us to deliver consistent service to our customers across the countries in which we operate, whilst retaining an in-country go to market approach in our geographies. This has taken more than four years of sustained effort, from the installation of our single ERP system to the required change in management reporting lines, and it has required constant focus on long term goals while striving to deliver annual revenue and profit growth.

Our results in 2015 were pleasing as, despite a substantial decline in the Euro, we made our profit objective for the year, and on a constant currency² basis grew our adjusted revenue¹ by 5.5 per cent. In the UK, we implemented substantial new Managed Services contracts for a number of customers, in Germany we won a significant number of new contracts, and in France we made good progress in getting the operation properly focused and resourced.

We continued diversification of our customer support capability with Barcelona, Cape Town, Budapest, Bangalore and Kuala Lumpur remaining key components of our long term plans. In the future we are planning to begin direct, rather than partner-based, operations in the USA, and the setting up of a support centre in Mexico. We serve customers in more than 100 countries, but we sell to enterprises whose home is in one of five countries being the UK, Germany, France, Belgium and Switzerland. In accordance with the Group's strategy, we continue to invest in our Services capabilities with which we support and enable the end users of our customers.

I have chosen to underscore in this short letter our commitment to the long term, but we are pleased with the results for 2015, achieved despite challenges in the market and of our own making, and we are confident of continued progress in 2016. I thank our shareholders for their faith in us, our partners for their support, and our employees for their efforts and, of course, results.

Greg Lock

Chairman

11 March 2016

PERFORMANCE REVIEW

GROUP

Financial performance

The Group's adjusted revenues¹ increased by 5.5 per cent in constant currency² to £3,054.2 million, and decreased by 0.3 per cent in actual currency² (2014: £3,063.3 million).

The Group's adjusted profit before tax¹ has increased by 9.9 per cent in constant currency² to £86.9 million, and by 7.2 per cent in actual currency² (2014: £81.1 million). As a result of the increase in the Group's overall profitability and the share consolidation which took place on 20 February 2015, adjusted diluted earnings per share¹ increased by 21.1 per cent to 53.4 pence for the year.

The Group made a statutory profit before tax of £126.8 million, an increase of 66.0 per cent in actual currency², having been significantly enhanced by the disposal of the Group's subsidiary, RDC, during the year. This resulted in the Group's statutory diluted earnings per share increasing by 105.3 per cent to 82.1 pence in 2015.

In 2015, the Group reported a net gain of £41.1 million from exceptional items. The Group's onerous contracts have performed ahead of expectations throughout the year. The exceptional cost of the French Social Plan has increased by £1.5 million, from £9.1 million in 2014, to £10.6 million in 2015.

Services performance in 2015

The Group's adjusted Services revenue¹ increased by 6.0 per cent on a constant currency² basis to £990.3 million, and was up by 0.8 per cent in actual currency² (2014: £982.1 million). The UK Services business continued its recent trend of top-line growth, principally driven by the significant Managed Services wins it achieved in 2014, and good levels of activity and utilisation across its Professional Services business. The volume of wins in 2014 presented the UK business with a major challenge for 2015, relating to the take on of a number of significant Managed Services contracts. We are pleased to report that these contracts have been taken on successfully, both from a service quality and financial perspective. The UK Services business win rate in 2015 has been a little quiet when compared with its performance over the previous three years. As a result, we expect that its revenue performance in 2016 will also be more modest than in recent times.

2015 represented a breakthrough year for Computacenter in Germany's Services growth rate, with high single-figure revenue growth for the first time following the implementation of Group governance standards and processes in 2013. We anticipate that the level of Services wins achieved in the second half of 2015 should allow this rate of growth to continue in 2016. The standard and financial performance of business take-on seen in the UK was replicated in Germany, with one exception in Germany for which a provision for future forecasted losses has been taken within the Group's 2015 results.

The Services revenue decline in France was expected following the loss of a small number of Services contracts towards the end of 2014. The service quality delivered by our French business improved materially through 2015, along with a corresponding improvement in customer satisfaction. There remains significant work to do in order to transition the French business towards being more Services-led, which is necessary to ensure that the business generates financial returns acceptable to the Group. A lack of volume across its Services business has resulted in margin pressures through low utilisation of the French central engines, and in order to ease these in the short-term we are focusing relentlessly on cost management. In respect of the longer-term, we continue to use targeted investment to enhance our brand and sales capability in this area.

The pipeline for Services opportunities that we will be bidding for in 2016 continues to be strong in Germany, more exciting in the UK than was the case twelve months ago, and in France we have a small number of well-developed and important opportunities.

The Group now has annual Services revenues of nearly £1 billion, and a large proportion of this is generated by our Managed Services contracts. As we have previously outlined in our 2015 Interim Results, it should be noted that across the Group's Managed Services portfolio, there is inevitably a variance in the level of financial performance dependent on the stage that each contract is at in its lifecycle, with margins generally improving as contracts mature. During 2015 there has been an unusual timing of contract lifecycles, which is unlikely to be repeated in future years, and which has resulted in an overall benefit to the Group's adjusted profit before tax¹ performance during 2015 of approximately £3 million.

Supply Chain performance

The Group's adjusted Supply Chain revenue¹ was up by 5.2 per cent on a constant currency² basis at £2,063.9 million, and decreased by 0.8 per cent in actual currency² (2014: £2,081.2 million). Following a decent start to 2015, the Supply Chain business performance in the UK was below Management's expectation, especially in the fourth quarter of the year where volumes were down on the comparative period in 2014. The UK Supply Chain revenue performance has seen a major shift away from the Workplace, as many Windows 7 projects were completed, towards an increasing spend in Datacenter. The German Supply Chain business delivered substantial growth across all areas, producing its highest rate of growth since 2011. Its revenue increase of 17.5 per cent in constant currency² undoubtedly took market share. There was an expected decline in our French Supply Chain volumes as the business continues to exit mid-market, low-margin generating business, and takes targeted action to increase its mix of Datacenter and Networking related product sales.

As we move into 2016, Supply Chain opportunity remains focused on Datacenter and Networking. With a view to the longer term, there will be many pilot projects focused on Windows 10 which we would expect to drive the market in 2017 and beyond.

Cash and Return of Value

Cash flow was again strong during 2015. Net Funds⁴ increased £1.6 million from £119.2 million at 31 December 2014 to £120.8 million at 31 December 2015. However, this was impacted by the Return of Value and the disposal of RDC which had a net cash outflow of £43.2 million during the year as detailed within the Finance Director's report.

The Return of Value, as announced by the Group on 2 February 2015, was the Company's third significant one-off Return of Value to shareholders, and the second such transaction in two years. Approximately £98 million was returned to shareholders during 2015, being 71.9 pence for every share held in the Company as at the close of trading on 19 February 2015. As part of the transaction, an associated share capital reorganisation took place on 20 February 2015, whereby every 17 ordinary shares of 6 2/3 pence each in the Company were effectively consolidated into 15 ordinary shares of 7 5/9 pence each (the Share Consolidation).

Dividend

Ahead of changes to dividend taxation which will take effect on 6 April 2016, we are pleased to announce a second interim dividend for 2015 (the Second Interim Dividend) of 15.0 pence per share, in lieu of a final dividend for 2015. The Second Interim Dividend will be paid on 5 April 2016.

The dividend record date is set on Thursday 24 March 2016, and the shares will be marked ex-dividend on Wednesday 23 March 2016. This has been agreed with the London Stock Exchange, given that these dates fall outside its normal dividend procedure timetable.

Following the payment of a first interim dividend for 2015 of 6.4 pence per share on 16 October 2015, the total dividend per share for 2015 will be 21.4 pence per share. The total dividend per share for 2014 was 19.8 pence per share for those shares in existence immediately after the Share Consolidation. The Board has consistently applied the Company's Dividend Policy, which states that the total dividend paid will result in a dividend cover of 2 to 2.5 times. Further detail on the Company's Dividend Policy can be found with the Finance Director's report.

Investment

Over the past few years, Computacenter has increased investment made through the P&L to maintain its organic growth. This was the case in 2015, and we will increase this level of investment further in 2016. During the period, we saw the first deployments of our Next Generation Service Desk (NGSD) offering into several customer environments. The early signs are most encouraging with users quickly embracing and using the portal to self-serve across a number of their needs.

Our investments in 2016 will focus on our NGSD, Mobility, Cloud and Security offerings. In addition, we will increase investment in our internal systems to improve the productivity of our Services resources, particularly to enable our field force with technology. We will incur an additional P&L cost of approximately £1 million in property rental payments, as well as a capital expenditure spend of £3 million as we refurbish our London Blackfriars freehold property. We have now vacated this building and will operate in temporary office accommodation for the majority of the year.

OUTLOOK

'Due to the highly cash generative nature of our business and despite approximately £242 million of cash being distributed to shareholders over the last 3 years, it is likely that by the end of 2016 Computacenter's Net Funds⁴ will be at record levels.

We are encouraged by the momentum we have in our German business going into 2016. The pleasing performance in France in 2015, while unlikely to accelerate in the short term, should be repeated.

The UK will have a more challenging year, particularly in the first half. Services revenue will decline in 2016 due to the expiry of a large contract at the end of the first quarter of 2015 and the large volume of business take-on last year creating a challenging comparison, coupled with the one-off £3 million gain highlighted in our Interim Statement in 2015.

We intend to increase the rate of spend on our strategic investments, which will be weighted towards the first half of the year, as we invest in our long term competitive advantage through our Income Statement.

While it is too early to make any firm commitments on the year as a whole and there is much work to be done, we expect 2016 to be a year of further progress. However, it is worth making clear that the effects referred to above will impact the phasing of our profit delivery and mean that the first half profit is expected to be below that reported for the same period in 2015.

The Company remains committed to long-term earnings per share growth through increased profitability and prudent use of our cash generation.'

Mike Norris

Chief Executive Officer

11 March 2016

Computacenter in United KINGDOM

Financial performance

The performance of the UK business was variable. We managed to maintain the pace of Services revenue growth seen in recent years, despite the loss of a significant contract. However, the performance of our Supply Chain business was below Management's expectations, particularly during the second half of the year.

Adjusted revenue¹ in the UK business increased by 2.6 per cent to £1,407.4 million (2014: £1,372.4 million). Adjusted operating profit¹ decreased by 2.3 per cent to £59.3 million (2014: £60.7 million), whilst statutory profit before tax increased by 66.4 per cent to £101.7 million (2014: £61.1 million).

Services Performance

Adjusted Services revenue¹ grew by 7.7 per cent to £532.4 million (2014: £494.2 million), which represents continued progress against the strong Services revenue growth achieved by the UK business in recent times. As we have previously reported, this performance has been impacted by the expiry of a significant long-term Managed Services contract at the end of first quarter of 2015, following a strategic decision to in-source by the customer. However it should be noted that the UK's 2015 adjusted profit before tax¹ also benefitted by £3 million from the unusual timing of contract lifecycles which is previously referred to within 'Services Performance in 2015' section of 'Our Performance'. In 2015, the UK business saw growth across its Services business, with a revenue increase of 7.1 per cent in Managed Services and 9.6 per cent in adjusted Professional Services¹.

In Managed Services, we have had a very busy year of contract renewals, many of which have been renewed by the customer prior to the end of their initial term. We believe that this reflects the quality of service that the business continues to provide for its customers. Importantly, we have successfully renewed our Managed Support Services agreement with Computacenter's largest customer, for whom we also continue to deliver significant Professional Services business, including a large Workplace transformation service.

As is often the case, the significant number of Managed Services contracts renewed in 2015 has placed downward pressure on revenue and margins. The business has been able to offset much of the financial impact of this through the successful take on of those Managed Services contracts won in 2014. Despite some new in-year Managed Services wins, the rate and materiality of these was not as high as in 2014. We expect that this will result in a more modest Services revenue performance in 2016, and we have a number of initiatives underway to mitigate the financial impact of this through Services contribution improvement.

There is a solid Managed Services pipeline in place for 2016, which will provide an opportunity for the business to return to higher rates of Services revenue growth in 2017. A number of the significant Managed Services opportunities available to the business over the next two years will be in major central government departments across Computacenter's core capabilities. We are confident that references from our successful on-boarding of, and large service transitions from, wins from 2014 will prove invaluable in addressing these opportunities.

The UK business continues to be positively recognised for its levels of service quality in independent customer service satisfaction surveys carried out by each of KPMG LLP and the Whitelane Research Group during the year. In respect of the latter, we were placed first for end-user services, and

additionally in second position for overall customer satisfaction.

During the year, our Professional Services business saw an increase in demand for transformation solutions, with projects becoming larger and business critical for its customers. A strong performance in our Datacenter Supply Chain business has driven revenue growth in excess of 40 per cent in our Professional Services business across core infrastructure technologies, offsetting the expected decline in Professional Services activity on Windows 7. We believe that this demonstrates that we have built a solutions business with firm foundations which is delivering infrastructure solutions, balanced across the corporate enterprise. 2015 saw another record year for Professional Services volumes.

Supply Chain Performance

Adjusted Supply Chain revenue¹ remained broadly flat at £875.0 million (2014: £878.2 million), following growth of 11.0 per cent in 2014. The period saw an interesting shift in spend across our customer base away from Workplace, as we saw an expected decline in Windows 7 migration projects driving an overall market reduction of PC shipments. Our product business mix has continued to move towards Datacenter and Networking as we begin to see a trend towards Mobility, Cloud, Analytics and Security drive growth across our portfolio. However, there remains a reasonable pipeline in our Workplace business, partially driven by the impact of Windows 10, with many customers engaged in trials and proof of concept projects. The impact, in terms of related projects being delivered by the business, is not likely to be felt until the end of 2016 at the earliest. The move in our Supply Chain mix towards the Datacenter area has been fuelled predominantly by the IT industry's move closer towards Hybrid Cloud and virtualised infrastructure solutions. This assisted our Datacenter business in performing very strongly in 2015, building on the momentum it generated in 2014.

Kevin James

Managing Director, UK

11 March 2016

Computacenter in GERMANY

Financial performance

The German business performed well in 2015, driven by a strong Supply Chain performance and solid Services growth. We believe that we have been able to gain market share in our chosen market segments and that our recent wins, particularly in Managed Services, should support future growth across our business.

Total revenue increased by 14.1 per cent on a constant currency² basis to €1,651.9 million (2014: €1,448.3 million), and by 2.8 per cent in actual currency². Adjusted operating profit¹ for the German business, which excludes the three onerous contracts, increased by 13.6 per cent in constant currency² to €37.7 million (2014: €33.2 million), and by 2.2 per cent in actual currency². Statutory profit before tax increased by 5.3 per cent in constant currency² to €36.0 million (2014: €34.2 million), and decreased by 4.7 per cent in actual currency².

Services Performance

Services revenue grew by 7.4 per cent in constant currency² to €522.5 million (2014: €486.7 million), and decreased by 3.2 per cent in actual currency². This included growth of 9.4 per cent in Professional Services and 6.6 per cent in Managed Services, both on a constant currency² basis.

Whilst the volume of Managed Services business generated from our existing customer base has increased, our growth was largely driven by new wins. These new wins came not only from sectors where the business traditionally generates high levels of activity, such as the automotive and aviation industry, but notably also from areas such as financial services. We have also completed a number of important renewals, such as the renewal and expansion of a major existing contract with an international insurance company based in Munich. There will be a number of further renewal opportunities for our Managed Services business to address in 2016. The successful take-on of Managed Services contracts in 2015 reflects the significant progress that has been made by the business in this area following the implementation of the Group Operating Model in 2013. The one exception to this is a Service Desk contract that started in 2015 and which has proven challenging and, as a result, was loss-making over the year. This loss-making position is expected to continue in 2016, albeit at a lower level, and a provision has been taken in the Group's operating results to cover these losses as currently forecasted by Management. Our Managed Services pipeline remains strong, with a number of contracts won, but not yet on-boarded, and a number of new opportunities to be pursued in 2016.

Following a weak first half of the year, our Professional Services business produced a strong performance in the second half of 2015. This was driven by a number of new project wins and an increase in activity from our existing customer base. Professional Services activity during the year was

dominated by Cloud Building, SAP Hana, the refreshing of customer networking infrastructure and Security. We have also seen customers take their first steps towards Windows 10, with Proof of Concepts (PoC) and testing for future Workplace infrastructure upgrades. There has generally been a scarcity of Professional Services resource available during the period, and whilst the business has a number of initiatives in place to mitigate against this issue, it is likely that this will remain the case in 2016.

Supply Chain Performance

The German Supply Chain business has performed strongly over the year, achieving revenue growth of 17.5 per cent on a constant currency² basis to €1,129.4 million (2014: €961.6 million), and by 5.8 per cent in actual currency². Although year-on-year revenue growth was seen across all areas of our Supply Chain business, the rates of growth across our Networking & Security and Datacenter businesses are worthy of particular note.

In Networking, we have strengthened our customer base and increased our market share. This has been driven by new business wins in our major customer base, and a strong performance on framework contracts won in 2014. We have seen particularly strong growth across the Core Networking refresh, Cloud Building and Security infrastructure sub-segments. In Datacenter, we have benefitted from our Cloud Building strategy and also from the growth of SAP Hana infrastructure installations. New wins of x86 server contracts in our public sector and international customer bases have also made an important contribution to growth. In Workplace, we have managed to grow our business despite the fact that the overall market in Germany has contracted. This was driven by our capability around mobile, and new wins of overall Workplace framework contracts.

Our Supply Chain business has benefitted from the 'pull-through' associated with an increase in our Managed Services customer base during the year. Supply Chain margins were slightly lower than last year due to the increased volume sizes of new business won, and also the large number of renewals. We see ongoing demand for infrastructure refreshes in Networking and also new cloud infrastructure building, which will support future Datacenter and Networking growth. Early adoption of Windows 10 will support our Workplace business, although we expect that demand for this will most likely impact activity levels in 2017.

Reiner Louis

Managing Director, Germany

11 March 2016

Computacenter in FRANCE

Financial Performance

The Group's French business has performed ahead of Management's expectations in 2015, as we started to see the benefit of the sustained transformational and restructuring activity carried out in 2014. There has been a gradual, but consistent, improvement during the year in the financial performance of the business, and it enjoyed a particularly strong fourth quarter of 2015 in Supply Chain. Whilst progress has been made by the business during the year, there remains significant work to do to transition the business towards being more Services-focussed, with a business model more aligned to the Group's other principal entities in the UK and Germany, which have consistently demonstrated good financial returns. Computacenter in France is on a journey which will require substantial change and focus in order to achieve an acceptable return on capital.

Total revenue for the French business decreased in constant currency² by 6.3 per cent to €548.1 million (2014: €584.7 million), and by 15.5 per cent in actual currency². It should be noted that this reduction was principally as a result of taking action to move the business away from low margin, working capital intensive business, and to focus on the Group's target market. This has resulted in improved product gross margins. We continue to manage our cost base robustly which has resulted in a substantial reduction in administrative expenses.

During the reporting period, the adjusted operating loss¹ reduced in constant currency² by 80.0 per cent to €2.2 million (2014: €11.0 million), and decreased by 81.8 per cent in actual currency². The statutory loss before tax reduced by 80.8 per cent on a constant currency² basis to €4.5 million (2014: €23.4 million), and by 82.5 per cent in actual currency², as the business incurred a significantly lower level of exceptional charges than was the case in 2014.

Services Performance

Services revenue declined by 10.1 per cent in constant currency² to €86.8 million (2014: €96.5 million), and by 18.8 per cent in actual currency².

Whilst Computacenter in France continues its journey to lead with its Services business, we have continued to suffer from the loss of a small number of Services contracts during 2014. The number of contract wins in 2015 was relatively small as our focus was on improving service delivery capability. As a result, Managed Services revenues declined by 10.3 per cent in constant currency², and Professional Services revenues by 9.4 per cent.

Increasing our Managed Service contract base remains fundamental to improving the French business performance, and the visibility and predictability of that performance. During the year, we have further implemented the Group Operating Model structure and aligned our Managed Services business to a Group function to enable it to leverage the Group's tools and best practices in this area.

In the first half of 2015, the Group opened a Global Services Desk in Montpellier, which was designed and is operated in accordance with our industrialised Group processes. It is integrated with Computacenter's 14 other Service Desk locations around the world. This interconnected approach allows us, for example, to deliver our Airbus Service Desk language requirements from three locations: for German in Berlin, French in Montpellier and other languages in Barcelona.

We continue to make improvements in the overall level of Service delivery we provide to customers. In a 2015 study by the Whitelane Research Group, measuring the performance of 20 outsourcing providers in France, Computacenter in France was ranked first for customer satisfaction in end-user Managed Services contracts.

In order to increase the competitiveness of our Field Maintenance business which is sub scale, uncompetitive and significantly loss making, and in line with current trends in the French IT Services market, we have decided to enter into discussion with staff representatives (works council and safety committee) to consider launching a project to outsource the delivery of Field Maintenance Services to channel partners who aggregate these types of services across France.

The development of our Professional Services business continues, and we remain focused on acquiring specialist skills in Datacenter transformation services, such as the automation and orchestration of Cloud Management Platform solutions to reflect the market changes that are taking place.

We have industrialised our internal work processes and aligned our sales specialist team with our Professional Services delivery organisation. In line with the Group's strategy, we continue to focus our effort and resource in Professional Services on Security, Mobility, Networking and transformation towards Hybrid Cloud. We anticipate that the arrival of Windows 10 will generate new opportunities for us to implement updated Workplace strategies for our customers.

Supply chain performance

In 2015, Supply Chain revenue declined by 5.5 per cent in constant currency² to €461.3 million (2014: €488.2 million), and by 14.8 per cent in actual currency². Our focus in this area has been predominantly based on increasing the focus of the business on our core customer base, improving the product mix of the Supply Chain business and reducing the working capital utilised in this area.

The continuing refinement of our governance processes for high-volume product bids has made a significant contribution to the improvement of Supply Chain margins during the year. It has also enabled the reduction of Supply Chain working capital investment, improved service levels and reduced penalty payments for failure to meet service level requirements.

Although the Supply Chain business mix has moved closer to that seen across our businesses in the UK and Germany, towards Datacenter and Networking, further progress is still required and we will continue to invest, as appropriate, to achieve this.

2016 Priorities

In 2015, we finalised the implementation of the Group Operating Model into our French business, and thus have aligned our business model more closely with the Group's UK and German businesses. We will continue to follow our strategy and concentrate our sales efforts towards large customers with a focus on our Services capability. We will also focus on further improving the product mix in our Supply Chain business whilst maintaining robust bid governance and working capital management.

As a result of the implementation of the Group Operating Model in the French business, we now have the capacity to leverage the Group's capability for Managed and Professional Services in France, including its NGSD, Security, Mobility and Cloud capabilities. Additionally, we will continue to use the Group's global coverage as a competitive advantage in our local French market as has already been demonstrated with a large Managed Services

win in 2014, currently the Group's largest Managed Services contract.

Lieven Bergmans

Managing Director, France

11 March 2016

Computacenter in Belgium

Financial performance

The Group's Belgian business has performed well in 2015 and continues to generate solid top-line growth in constant currency². Total revenue increased by 3.4 per cent in constant currency² to €67.6 (2014: €65.4 million), and decreased by 6.8 per cent in actual currency². Adjusted operating profit¹ grew by 7.7 per cent in constant currency² to €2.8 million (2014: €2.6 million), and decreased by 4.8 per cent in actual currency². Statutory profit before tax increased by 8.7 per cent in constant currency² to €2.5 million (2014: €2.3 million), and decreased by 5.3 per cent in actual currency². At the beginning of Q4 2015 the Belgian business went live on the Group's ERP and related systems. The system transition was implemented successfully, without any material impact on levels of customer service delivery. The implementation of these improved systems and the Group Operating Model will enable the Belgian business to benefit from Group capabilities, which should assist it in pursuing future growth opportunities.

Services Performance

In 2015, total Services revenue reduced by 5.8 per cent in constant currency² to €21.2 million (2014: €22.5 million), and by 14.9 per cent in actual currency². This reduction was mainly driven by customer renewals and service transformation of our Managed Services, where by using Group capabilities which we were able to reduce the total cost of ownership for a number of our customers.

During the year, there has been a significant focus on underpinning our future Services contract revenue base through the renewal of our existing Managed Services contracts. This has included the renewal of an end user Managed Services contract with UCB for a further three years, following an open market tender process. The business has also renewed its end user and infrastructure Managed Services contract with Baloise Insurance for an additional three-year period. Following a year in which a focus on renewals has been our overriding priority, there are a number of significant Managed Services contract opportunities in our current pipeline. Our Supply Chain and Professional Services capabilities, particularly in consulting, have enabled the business to win a number of infrastructure projects in 2015. These included the implementation of IT infrastructure for our customer, Wabco, at their new offices.

Supply Chain Performance

Supply Chain revenue increased by 8.2 per cent in constant currency² to €46.4 million (2014: €42.9 million), decreasing by 2.6 per cent in actual currency². Whilst competition remains strong in the local market we continue to benefit from the loyalty of our customer base.

Jurgen Strijkers

Managing Director, Belgium

11 March 2016

GROUP FINANCE DIRECTOR'S REVIEW

MAXIMISING SHAREHOLDER VALUE

In 2015, Computacenter improved both statutory and adjusted profit before tax¹ on the back of the effective implementation of new contracts in the

UK, strong Supply Chain performance in Germany and the initial improvements from our ongoing re-focus and Group Operating Model implementation in our French business.

Revenue

Adjusted revenue¹ for the Group fell by 0.3 per cent to £3,054.2 million (2014: £3,063.3 million). On a constant currency² basis turnover growth was 5.5 per cent, reflecting the strength of the Pound Sterling against the weaker Euro.

Statutory revenue for the Group, including the results of RDC for all of 2014 and for January 2015, fell 1.6 per cent from £3,107.8 million to £3,057.6 million.

Operating profit

Adjusted operating profit¹ for the Group has increased 7.9 per cent to £87.1 million (2014: £80.7 million). On a constant currency² basis the increase was 10.5 per cent.

The German segment was a key growth factor for the Group this year with an increase in adjusted operating profit¹ of 13.6 per cent in constant currency² and 2.2 per cent in actual currency². Last year's growth engine, the UK, saw a slight decrease of 2.3 per cent in adjusted operating profit¹. The segment driving the overall adjusted operating profit¹ growth was France, which reduced its adjusted operating loss¹ by 80.0 per cent in constant currency² from €11.0 million to €2.2 million, and by 81.8 per cent in actual currency². The Group's statutory operating profit of £85.2 million is 11.2 per cent higher than in 2014.

Profit before tax

Adjusted profit before tax¹ increased by 7.2 per cent from £81.1 million to £86.9 million, or 9.9 per cent in constant currency².

After taking account of exceptional items, primarily the exceptional gain on disposal of RDC of £42.2 million, the increased cost of the 2014 re-structuring programme in France (Social Plan) and the improving outlook for the German onerous contracts, statutory profit before tax improved by 66.0 per cent from £76.4 million to £126.8 million.

Profit for the year

The adjusted profit for the year¹ increased 10.4 per cent to £67.1 million at reported rates (2014: £60.8 million), an increase of 13.0 per cent at constant currency² rates. The statutory profit for the year increased by £48.0 million to £103.1 million (2014: £55.1 million).

A reconciliation between key adjusted and statutory measures is provided within Group Finance Director's Review. Further details provided in note 3 to the summary financial information included within this announcement.

Reconciliation from statutory to adjusted measures for the year ended 2015

	Adjustments					Adjusted results
	Statutory results	RDC	CSF interest	Utilisation of deferred tax	Exceptionals & others	
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	3,057,615	(3,448)	-	-	-	3,054,167
Cost of sales	(2,654,468)	2,773	(340)	-	-	(2,652,035)
Gross profit	403,147	(675)	(340)	-	-	402,132

Administrative expenses	(315,380)	355	-	-	-	(315,025)
Operating profit:						
Before amortisation of acquired intangibles and exceptional items	87,767	(320)	(340)	-	-	87,107
Amortisation of acquired intangibles	(1,553)	-	-	-	1,553	-
Exceptional items	(1,029)	-	-	-	1,029	-
Operating profit	85,185	(320)	(340)	-	2,582	87,107
Exceptional gain on disposal of a subsidiary	42,155	-	-	-	(42,155)	-
Finance revenue	1,598	-	-	-	-	1,598
Finance costs	(2,171)	-	340	-	-	(1,831)
Profit before tax	126,767	(320)	-	-	(39,573)	86,874
Income tax expense:						
Before exceptional items	(23,605)	72	-	4,045	(314)	(19,802)
Exceptional items	(52)	-	-	-	52	-
Profit for the year	103,110	(248)	-	4,045	(39,835)	67,072

Reconciliation from statutory to adjusted measures for the year ended 2014

	Adjustments				Exceptionals	Adjusted results
	Statutory results	RDC	CSF interest	Utilisation of deferred tax & others		
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	3,107,759	(44,488)	-	-	-	3,063,271
Cost of sales	(2,697,842)	34,254	(569)	-	-	(2,664,157)
Gross profit	409,917	(10,234)	(569)	-	-	399,114
Administrative expenses	(323,814)	5,432	-	-	-	(318,382)

Operating profit:

Before amortisation of acquired intangibles and exceptional items	86,103	(4,802)	(569)	-	-	80,732
Amortisation of acquired intangibles	(1,868)	-	-	-	1,868	-
Exceptional items	(7,588)	-	-	-	7,588	-
Operating profit	76,647	(4,802)	(569)	-	9,456	80,732
Finance revenue	1,615	(13)	-	-	-	1,602
Finance costs	(1,844)	-	569	-	-	(1,275)
Profit before tax	76,418	(4,815)	-	-	9,456	81,059

Income tax expense:

Before exceptional items	(21,115)	1,098	-	-	(238)	(20,255)
Exceptional items	(185)	-	-	-	185	-
Profit for the year	55,118	(3,717)	-	-	9,403	60,804

United Kingdom

The UK Segment adjusted revenues¹ grew 2.6 per cent in 2015, increasing to £1,407.4 million (2014: £1,372.4 million). Adjusted Supply Chain revenues¹ decreased 0.4 per cent consolidating the increased 11.4 per cent growth in 2014. Underlying this broadly flat result is a large decline in Workplace PC shipments as the Windows 7 refresh cycle is largely complete and a material increase in our Datacenter and Networking business. This reflects our ability to respond to the changes in the market driven by the changing nature of our customer priorities. Significant aspects of the Datacenter and Networking growth were driven by the successful take on of several major Managed Services customers which continued to prove the importance of the approach of leading with Services as a driver for Supply Chain growth. Adjusted Services revenues¹ grew 7.7 per cent in 2015, following strong growth of 8.4 per cent in 2014. Within this, Managed Services revenue grew 7.1 per cent as the new contracts that came on stream quickly contributed to top-line growth. As we have previously reported, this performance has been impacted by the expiry of a significant long-term Managed Services contract at the end of first quarter 2015, following a strategic decision to in-source by the customer. However it should be noted that the UK's 2015 profit also benefitted by £3 million from the unusual timing of contract lifecycles which we previously referred to within 'Services Performance in 2015'. Professional Services in turn generated 9.6 per cent in adjusted revenue¹ growth with high staff utilisation levels.

Margin rate in the Supply Chain business showed continued strength in 2015 with another small improvement over 2014 and the mix of business moving towards Datacenter and Networking. Services margin reduced slightly from last year mainly due to the expected impact of new Managed Services take-ons, which whilst better than expected, still had a margin dilutive impact. The UK continues to lead the Group in efficiency of delivery on Managed Services customers with the overall margins achieved at a rate which is towards the top of what can be reasonably expected. Total adjusted gross profit¹ rate in the UK has increased slightly from 15.3 per cent to 15.4 per cent of adjusted revenue¹.

Adjusted administrative expenses¹ rose by 5.6 per cent, reducing from the 7.5 per cent increase in 2014 and 9.8 per cent increase in 2013. The UK segment continues to absorb the majority of the Group's investment costs, as referred to within 'Investment' section of 'Our Performance', through its income statement. Where permissible, certain Group Management and Governance costs are recharged to other Group segments, however the UK segment continues to incur the majority of Senior Management and Group Governance costs due to the Group being UK domiciled and will continue to do so going forward as the Group continues to add strength to the team.

Overall this has resulted in a 2.3 per cent decrease in adjusted operating profit¹ from £60.7 million to £59.3 million.

Germany

German revenue recovered strongly in 2015, in actual currency², increasing by 2.8 per cent to £1,199.6 million (2014: £1,167.1 million). In constant currency² revenue increased 14.1 per cent.

Supply Chain revenue growth was very strong in 2015 at 17.5 per cent on a constant currency² basis, 5.8 per cent in actual currency² continuing the momentum seen in Q4 2014. Growth was strong across a number of segments with Workplace experiencing growth, even against the backdrop of an overall declining market. This was led by the Networking business line, partly driven by a strong performance on Framework contracts won in 2014.

Services revenues were also strong with 7.4 per cent growth in 2015 on a constant currency² basis, a decline of 3.2 per cent in actual currency², with significant impact from both Professional Services and Managed Services. Revenue from existing Managed Services contracts was encouraging, but the overall growth is mainly driven by a number of strategically important new wins. There were further contract wins in 2015 which provides a platform for growth in the year ahead, as these contracts are on-boarded and there is a strong pipeline into 2017. Significantly, the lessons from 2013 have largely been learned with nearly all of the new contracts going through a successful take-on process. One contract has been somewhat disappointing so far, however, work continues to address this issue and based on past experience we are confident that it will be resolved. Our Professional Services business was very strong in the second half of the year, driven by customer focus on Cloud building and Network and Security refreshes in a post Windows 7 rollout world.

The rate at which the Supply Chain business grew through the year inevitably resulted in some margin attrition. The focus for 2016 will be to maintain the volumes seen in 2015 and to slowly rebuild margin expectations across our newly won customer portfolio. Given the challenges within the Professional Services cost base and the inevitable teething problems as new Managed Services contracts come on stream we are pleased that our Services margins have improved slightly over 2014, indicating the scope for future potential improvements as the German result continues to close the gap on the performance of UK Services margins. Overall adjusted gross profit¹ margin within the German business has decreased from 13.0 per cent in 2014 to 12.3 per cent in 2015, primarily due to the margin dilution within the Supply Chain business.

Administrative expenses have increased by 6.6 per cent in constant currency² but have fallen 4.0 per cent in reported currency.

Overall, the German segment adjusted operating profit¹ increased by 2.2 per cent from £26.8 million to £27.4 million in actual currency², an increase of 13.6 per cent in constant currency².

France

The revenue in the French segment decreased by 15.5 per cent to £398.1 million (2014: £471.1 million) during 2015, a decline of 6.3 per cent in constant currency², partly due to a Services business that has not been able to renew and rebuild its contract base. Supply Chain revenue decreased by 5.5 per cent on a constant currency² basis, 14.8 per cent decline in actual currency², as the business was much more selective and reduced its focus on low margin high working capital intensive activities, as well as focusing on the Group's core target market of large customers, rather than small and medium-sized customers. Whilst we have made some progress to align the product mix in France, more towards the more balanced Workplace, Datacenter and Networking lines of business, there is still substantial further progress required in this area. Services revenues reduced by 10.1 per cent in 2015 in constant currency², 18.8 per cent in actual currency² with both Managed Services and Professional Services similarly impacted. The Managed Services contract losses in 2014 have not been offset by the small number of wins achieved in 2015.

Services gross profit in 2015 has been impacted throughout the year by the weak growth in demand for our Professional Service business where revenue reduced by 9.4 per cent on a constant currency² basis, 18.7 per cent in actual currency². This exacerbates the continuing capacity utilisation issues seen since 2013, which results in the French service margins being significantly lower than those across the rest of the Group.

Similar issues are now being seen in the Managed Services business through the lack of wins in 2015, and apart from a small number of significant opportunities, the pipeline is generally fairly weak, this will continue to impact Services gross margin in 2016, albeit, there should be a small improvement on 2015. Customer service levels remain high, resulting in Computacenter France being ranked first for Customer Satisfaction for End-User Managed Services contracts, by the Whitelane Research Group.

Significant investment is being made in both areas to reposition the business to deliver a higher quality of service to customers in our target market. This is evidenced by the opening of the Global Services Desk in Montpellier, our intention to restructure the sub-scale Field Maintenance business and the alignment of the Professional Services business to the wider Group Operating Model.

Gross margins in the Supply Chain business have increased throughout 2015 as the quality of product mix has improved with significant demand for Datacenter solutions in Q4 2015. This has materially increased the contribution rate of the Supply Chain business.

Overall gross margin increased from 6.7 per cent to 8.1 per cent approaching levels last achieved in 2013.

Administrative expenses decreased by 7.9 per cent on a constant currency² basis, 17.0 per cent in actual currency². In 2014 there was an additional charge of €2 million to provide for doubtful debts and disputes on the sales ledger at the end of 2014. Due to the efforts in cleansing the sales ledger and the recovery of overdue balances through 2015, €1.4 million of this additional provision has now been released back through the administrative expenses line. Ignoring the impact of this provisioning activity, administrative expenses has been largely flat with natural increases offset by the benefit from the French Social Plan and the ongoing business transformation which continues to take costs out of the business to improve both the competitiveness and long-term return to profitability. An additional cost of £1.5 million in implementing the Social Plan has been recorded as an exceptional item in 2015.

Overall, the adjusted operating loss¹ in actual currency² for France has decreased from £8.8 million in 2014 to £1.6 million in 2015.

Belgium

Revenue decreased by 6.8 per cent to £49.1 million (2014: £52.7 million) but increased by 3.4 per cent in constant currency². Supply Chain revenue increased 8.2 per cent on a constant currency² basis, a decline of 2.6 per cent in actual currency², rebuilding the business to 2012 levels when it saw a very significant one-off Supply Chain order from one customer. This is especially pleasing as the customer base has broadened and become more international thereby reducing the opportunity for future revenue declines to be related to large individual customers.

Services revenue declined by 5.8 per cent on a constant currency² basis, a decline of 14.9 per cent in actual currency², during 2015. There was significant success in renewing existing contracts to underpin the contract base going forward, however, this has resulted in reduced Services revenue due to further contract efficiencies made for these long-term customers.

Whilst Services margin declined during the year, partly as a result of renewal margin pressures, as noted above, the product margin increased during the year, which offset the decline in Services contribution. This has resulted in an overall increase in gross profit for Belgium from 11.6 per cent in 2014 to 12.7 per cent in 2015.

Administrative expenses increased 18.0 per cent in constant currency², 4.9 per cent in actual currency², primarily due to take-on costs as the business moved fully onto the Group ERP system and the Group Operating Model that it underpins. The transition was implemented smoothly with no material adverse customer impact. Overall there has been a 4.8 per cent decrease in reported adjusted operating profit¹ from £2.1 million in 2014 to £2.0 million in 2015, a 7.7 per cent increase in constant currency².

Table 1: Adjusted revenue¹ (£m)

	Half 1	Half 2	Total
	£m	£m	£m
2013	1,403.81	626.43	2,030.2
2014	1,435.41	627.93	2,063.3
2015	1,438.01	616.23	2,054.2
2015/140.2%	-0.7%	-0.3%	

Table 2: Adjusted profit before tax¹ (£m)

Half 1		Half 2		Total	
£m	%	£m	%	£m	%

2013	24.4	1.7%	53.6	3.3%	78.0	2.6%
2014	25.6	1.8%	55.5	3.4%	81.1	2.6%
2015	29.1	2.0%	57.8	3.6%	86.9	2.8%
2015/14	13.7%		4.1%		7.2%	

Table 3: Adjusted REVENUE1 BY COUNTRY (£m)

	2015			2014		
	Half 1	Half 2	Total	Half 1	Half 2	Total
UK	688.7	718.7	1,407.4	652.5	719.9	1,372.4
Germany	535.4	664.2	1,199.6	526.5	640.6	1,167.1
France	189.8	208.3	398.1	230.9	240.2	471.1
Belgium	24.1	25.0	49.1	25.5	27.2	52.7
Total	1,438.0	1,616.2	3,054.2	1,435.4	1,627.9	3,063.3

Table 4: Adjusted operating profit1 by country (£m)

	2015					
	Half 1		Half 2		Total	
	£m	%	£m	%	£m	%
UK	22.9	3.3%	36.4	5.1%	59.3	4.2%
Germany	8.5	1.6%	18.9	2.8%	27.4	2.3%
France	(3.0)	(1.6%)	1.4	0.7%	(1.6)	(0.4%)
Belgium	1.1	4.6%	0.9	3.6%	2.0	4.1%
Total	29.5	2.1%	57.6	3.6%	87.1	2.9%

	2014					
	Half 1		Half 2		Total	
	£m	%	£m	%	£m	%
UK	22.5	3.4%	38.2	5.3%	60.7	4.4%

Germany	7.8	1.5%	18.93.0%	26.72.3%
France	(5.6)	(2.4%)	(3.2)	(1.3%) (8.8)(1.9%)
Belgium	1.0	3.9%	1.1	4.0% 2.1 4.0%
Total	25.7	1.8%	55.03.4%	80.72.6%

Net finance costs

Net finance costs amounted to £0.6 million on a statutory basis in the period (2014: £0.2 million) and were impacted by a number of one-off items including historical extended credit interest charges for Computacenter Germany of £0.3 million that were previously unbilled by a vendor. In addition, finance charges were impacted by the final interest charges relating to the unwind of the discount on the deferred consideration for the purchase of Damax AG for £0.7 million which was finalised and agreed in June 2015. These one-off costs have been partially offset by higher than normal interest charges paid by French government customers for overdue receivables.

On an adjusted basis, prior to the interest on Customer Specific Financing (CSF), net finance costs were £0.2 million in 2015 (2014: £0.3 million income).

Customer specific financing

In certain circumstances, the Group enters into customer contracts that are financed by leases or loans. The leases are secured only on the assets that they finance. Whilst the outstanding balance of CSF is included within the Net Funds⁴ for statutory reporting purposes, this balance is offset by contracted future receipts from customers.

Whilst CSF is repaid through future customer receipts, Computacenter retains the credit risk on these customers and ensures that credit risk is only taken on customers with a strong credit rating.

The Group does not expect a material increase in the level of CSF facilities, partly as the Group applies a higher cost of finance to these transactions than customer's marginal cost of finance.

Taxation

The adjusted tax¹ charge on ordinary activities was £19.8 million (2014: £20.3 million), on an adjusted profit before tax¹ of £86.9 million (2014: £81.1 million). The effective tax rate (ETR) was 22.8 per cent (2014: 25.0 per cent). The 2015 ETR is lower than the previous year due to a change in geographic split of adjusted profit before tax¹ with significantly lower losses in France being the primary influence.

The statutory tax charge was £23.7 million (2014: £21.3 million) on profit before tax of £126.8 million (2014: £76.4 million). This represents a statutory tax rate of 18.7 per cent (2014: 27.9 per cent). The exceptional gain on the sale of RDC of £42.2 million recorded in the statutory profit before tax for the year ended 31 December 2015 is not subject to taxation and is the major reason for the movement in the statutory tax rate.

The Group's adjusted tax rate continues to benefit from losses utilised on earnings in Germany and also from the reducing corporation tax rate in the UK. As the German tax losses continue to be utilised, the deferred tax asset, previously recognised as an exceptional tax item, is no longer replenishing. The utilisation of the asset impacts the statutory tax rate but is considered to be outside of our adjusted tax¹ measure. In 2015 this impact increased the statutory tax rate by 3.2 per cent.

From 2017 onwards the Group expects an increasing adjusted tax¹ rate as the impact of the German loss utilisation manifests itself through an increasing cash tax payment. In 2016, the German adjusted ETR¹ is expected to increase to circa 22 per cent from circa 15 per cent in 2015 increasing to, and settling at, circa 32 per cent in 2018 with a direct effect on the Group adjusted ETR¹. At 2015 levels of profitability the increase in German cash tax would raise the 2015 Group adjusted ETR¹ from 22.8 per cent to 27.8 per cent by 2018.

A Group Tax Policy was produced during the year and approved by the Audit Committee and the Board. The Group makes every effort to pay all the tax attributable to profits earned in each jurisdiction that it operates in. The Group does not artificially inflate or reduce profits in one jurisdiction to provide a beneficial tax result in another and maintains approved transfer pricing policies and programmes, to meet local compliance requirements,

particularly given the implementation of the Group Operating Model. Virtually all of the statutory tax charge in 2015 was incurred in either the UK or German tax jurisdictions. Computacenter will recognise provisions and accruals in respect of tax where there is a degree of estimation and uncertainty, including where it relates to transfer pricing, such that a balance cannot fully be determined until accepted by the relevant tax authorities. There are no material tax risks across the Group.

The table below reconciles the statutory tax charge to the adjusted tax charge for the year ended 31 December 2015.

	2015	2014
	£'000	£'000
Statutory tax charge	23,657	21,300
Adjustments to exclude:		
Utilisation of German deferred tax assets	(4,045)	-
Tax on amortisation of acquired intangibles ³¹⁴	238	
Tax on exceptional items	(52)	(185)
RDC	(72)	(1,098)
Adjusted tax charge	19,802	20,255
Statutory ETR	(18.7%)	(27.9%)
Adjusted ETR	(22.8%)	(25.0%)

Exceptional items

A gain from net exceptional items in the year of £41.1 million was recorded (2014: a net loss of £7.6 million).

The principal item was the gain on the sale of RDC of £42.2 million. The sale occurred on 2 February 2015 with cash proceeds net of disposal costs of £59.8 million.

Further Social Plan provisioning in France of £1.5 million was required during the year. Whilst costs incurred against the existing level of the Social Plan provision have been at an expected level, further redundancy scope has been added to the Social Plan during the year with un-forecasted additional support to certain employees within the plan. An additional provision for legal costs of £0.4 million is included within this and has been made due to pending litigation stemming from appeals lodged by some employees within the plan. Further detail on these claims can be found in note 24 to the Annual Report and Accounts (see note 2).

A release from the onerous contracts provision in Germany has been made for £0.4 million. This represents better than forecast performance over the year from the two remaining contracts resulting in less utilisation of the provision than planned. The initial contractual period for the two remaining contracts finishes in 2016.

Earnings per share

The adjusted diluted earnings per share¹ has increased in line with profit performance by 21.1 per cent from 44.1 pence in 2014 to 53.4 pence in 2015. The statutory diluted earnings per share has increased from 40.0 pence in 2014 to 82.1 pence in 2015, primarily driven by the impact of the gain on disposal of RDC.

Basic weighted average number of shares (excluding own shares held) (no. '000) 122,948,135,985

Effect of dilution:

Share options	2,655	1,784
Diluted weighted average number of shares	125,603,137,769	

Statutory profit attributable to equity holders of the parent (£ '000)	103,110	55,117
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Basic earnings per share (pence)	83.9	40.5
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Diluted earnings per share (pence)	82.1	40.0
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Adjusted profit for the year ¹ attributable to equity holders of the parent (£ '000)	67,072	60,803
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Adjusted basic earnings per share ¹ (pence)	54.6	44.7
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Adjusted diluted earnings per share ¹ (pence)	53.4	44.1
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Dividends

The Board has consistently applied the Company's Dividend Policy, which states that the total dividend paid will result in a dividend cover of 2 to 2.5 times adjusted diluted earnings per share¹. In 2015 the cover was 2.5 times (2014: 2.5 times).

The Group remains highly cash generative and Net Funds⁴ continues to build on the Group balance sheet. Computacenter's approach to capital management is to ensure that the Group has a robust capital base and to maintain a strong credit rating whilst aiming to maximise shareholder value. If further funds are not required to be available for investment within the business, either for fixed assets or working capital support, and the distributable reserves are available in the Parent Company, we will aim to return the additional cash to investors through one-off Returns of Value. Dividends are paid from the stand alone balance sheet of Computacenter Plc, and as at 31 December 2015, the distributable reserves are approximately £166.7 million.

Ahead of changes to dividend taxation which will take effect on 6 April 2016, we are pleased to announce a second interim dividend for 2015 (the Second Interim Dividend) of 15.0 pence per share, in lieu of a final dividend for 2015. The second interim dividend will be paid on 5 April 2016.

The dividend record date is set on Thursday 24 March 2016, and the shares will be marked ex-dividend on Wednesday 23 March 2016. This has been agreed with the London Stock Exchange, given that these dates fall outside its normal dividend procedure timetable.

Following the payment of a first interim dividend for 2015 of 6.4 pence per share on 16 October 2015, the total dividend per share for 2015 will be 21.4 pence per share. The total dividend per share for 2014 was 19.8 pence per share for those shares in existence immediately after the Share Consolidation.

Capital Management

Details of the Group's capital management policies are included within note 26 to the Annual Report and Accounts (see note 2).

Net funds⁴

Net Funds⁴ have increased from £119.2 million at the end of 2014 to £120.8 million as at 31 December 2015. In addition to the final 2014 dividend paid in June 2015 of £15.8 million and the interim 2015 dividend paid in October 2015 of £7.7 million, the Group had a net cash outflow arising from the

disposal of RDC and the Return of Value of £43.2 million.

	£'000
Net Funds ⁴ as at 31 December 2014	119,197
Less: RDC cash as at 31 December 2014	(489)
Total consideration received in cash and cash equivalents	59,974
Less: cash and cash equivalents disposed of	(3,829)
Proceeds from disposal of RDC, net of cash disposed of	56,145
RDC disposal costs	(176)
Net cash inflows arising from RDC disposal after disposal costs and cash disposed	55,969
Return of Value	(97,916)
Expenses on Return of Value	(753)
Total cash outflow from Return of Value	(98,669)
Net impact of disposal of RDC and Return of Value	(43,189)
Other cash flows in the year	46,579
Non-cash flow movements	(175)
Exchange differences	(1,624)
Net funds ⁴ as at 31 December 2015	120,788

The Group had no material borrowings outside of CSF leases and loans.

The Group continued to deliver strong cash generation from its operations in 2015, with net cash flow from operating activities of £93.9 million (2014: £94.4 million).

During the year material improvements were made in the collection of overdue debt within the French business. The Finance Shared Service Centre in Budapest has standardised and focused cash collection processes and cleansed a number of issues stemming from the poor ERP implementation in 2013. This, coupled with the disruption from the Social Plan implementation which led to backlogs preventing the timely processing of transactions, impacted cash collection and payment of invoices. Along with a drive from Senior Group Management the legacy collection and system related invoicing issues are now understood and have been largely resolved. The French debt balance overdue by more than 60 days has decreased to under £4.6 million at 31 December 2015 from £17.6 million at 31 December 2014.

In the year we spent £20.6 million (2014: £17.7 million) on capital expenditure, primarily on investments in IT equipment in our business and software tools, to enable us to deliver improved service to our customers.

Whilst the cash position remains robust, the Group continued to benefit from the extension of an improvement in credit terms with a significant vendor, equivalent to £47.8 million at 31 December 2015, an increase of £9.2 million from 31 December 2014. This improvement in credit terms has been in operation since 2009 and whilst the continuation of these terms is not guaranteed and can be withdrawn at any time, the terms are generally available to all material partners of that significant vendor.

CSF decreased in the year from £9.3 million to £5.9 million. CSF remains low compared to historical levels due to a decision to restrict this form of financing in light of the current credit environment and reduced customer demand.

The Group's Net Funds⁴ position takes account of current asset investments of £15 million.

Net Funds⁴ excluding CSF decreased from £128.5 million to £126.7 million by the end of the year.

Financial instruments

The Group's financial instruments comprise borrowings, cash and liquid resources, and various items that arise directly from its operations. The Group enters into hedging transactions, principally forward exchange contracts or currency swaps. The purpose of these transactions is to manage currency risks arising from the Group's operations and its sources of finance. As the Group continues to expand its global reach and benefit from lower cost operations in certain geographies such as South Africa, it has entered into forward exchange contracts to help manage cost increases due to currency movement. The Group's policy remains that no speculative trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are interest rate, liquidity and foreign currency risks. The overall financial instruments strategy is to manage these risks in order to minimise their impact on the financial results of the Group. The policies for managing each of these risks are set out below. Further disclosures in line with the requirements of IFRS 7 are included in the Financial Statements.

Interest rate risk

The Group finances its operations through a mixture of retained profits, bank borrowings and finance leases and loans for certain customer contracts. The Group's bank borrowings, other facilities and deposits are at floating rates. No interest rate derivative contracts have been entered into.

Liquidity risk

The Group's policy is to ensure that it has sufficient funding and facilities in place to meet any foreseeable peak in borrowing requirements. The Group's positive Net Funds⁴ position was maintained throughout 2015, and at the year-end was £126.7 million excluding CSF, and £120.8 million including CSF.

Due to strong cash generation over the past three years, the Group is currently in a position where it can finance its requirements from its cash balance, and the Group operates a cash pooling arrangement for the majority of Group entities.

During 2013 the Group entered into a specific committed facility of £40.0 million for a three-year term which was to expire in May 2016. In February 2015 this facility was extended at the same value through to February 2018.

The Group has a Board monitored policy in place to manage its counterparty risk. This ensures that cash is placed on deposit across a range of reputable banking institutions.

CSF facilities are committed.

Foreign currency risk

The Group operates primarily in the UK, Germany and France with smaller operations in Belgium, Hungary, India, Malaysia, Luxembourg, Spain, South Africa, Switzerland and the United States of America. The Group uses a cash pooling facility to ensure that its operations outside of the UK are adequately funded, where principal receipts and payments are denominated in Euros. For those countries within the Eurozone, the level of non-Euro denominated sales is small and, if material, the Group's policy is to eliminate currency exposure through forward currency contracts. For the UK, the majority of sales and purchases are denominated in Sterling and any material trading exposures are eliminated through forward currency contracts.

The Group has been increasingly successful in winning international Services contracts where services are provided in multiple countries. The Group aims to minimise this exposure by invoicing the customer in the same currency in which the costs are incurred. For certain contracts, the Group's committed contract costs are not denominated in the same currency as its sales. In such circumstances, for example where contract costs are denominated in South African Rand, the Group eliminates currency exposure for a foreseeable future period on these future cash flows through forward currency contracts. In 2015, the Group recognised a gain of £1.2 million (2014: loss of £0.3 million) through other comprehensive income in relation to the changes in fair value of related forward currency contracts, where the cash flow hedges relating to firm commitments were assessed to be highly effective.

The Group reports its results in Pounds Sterling. The strengthening of Sterling, particularly against the Euro has impacted the 2015 adjusted operating profit¹ by circa £2 million.

Credit risk

The Group principally manages credit risk through the management of customer credit limits. The credit limits are set for each customer based on the creditworthiness of the customer and the anticipated levels of business activity. These limits are initially determined when the customer account is first set up and are regularly monitored thereafter.

There are no significant concentrations of credit risk within the Group. The Group's major customer, disclosed in note 3 to the summary financial information included within this announcement consists of entities under the control of the UK Government. The maximum credit risk exposure relating to financial assets is represented by their carrying value as at the balance sheet date.

Going concern

As disclosed in the Directors' Report, the Directors have a reasonable expectation that the Group has adequate resources to continue its operations for the foreseeable future. Accordingly they continue to adopt the Going Concern basis in preparing the consolidated Financial Statements.

Fair balanced and understandable

The UK Corporate Governance Code includes a requirement for the Board to consider whether the Annual Report and Accounts are 'fair, balanced and understandable' and 'provides the information necessary for shareholders to assess the Group's performance, business model and strategy.'

Management undertakes a formal process through which it can provide comfort to the Board in making this statement.

Tony Conophy

Group Finance Director

11 March 2016

Consolidated income statement

For the year ended 31 December 2015

		£'000	£'000
Revenue	3	3,057,615	3,107,759
Cost of sales		(2,654,468)	(2,697,842)
Gross profit		403,147	409,917
Administrative expenses		(315,380)	(323,814)
Operating profit:			
Before amortisation of acquired intangibles and exceptional items		87,767	86,103
Amortisation of acquired intangibles		(1,553)	(1,868)
Exceptional items	4	(1,029)	(7,588)
Operating profit		85,185	76,647
Exceptional gain on disposal of a subsidiary	4	42,155	-
Finance revenue		1,598	1,615
Finance costs		(2,171)	(1,844)
Profit before tax		126,767	76,418
Income tax expense:			
Before exceptional items		(23,605)	(21,115)
Exceptional items	4	(52)	(185)
Income tax expense	5	(23,657)	(21,300)
Profit for the year		103,110	55,118
Attributable to:			
Equity holders of the parent		103,110	55,117
Non-controlling interests		-	1
Profit for the year		103,110	55,118
Earnings per share			

- basic	6	83.9p	40.5p
- diluted	6	82.1p	40.0p

Consolidated statement of comprehensive income

For the year ended 31 December 2015

	2015	2014
	£'000	£'000
Profit for the year:	103,110	55,118
Items that may be reclassified to consolidated income statement		
Gain/(loss) arising on cash flow hedge, net of amount transferred to consolidated income statement	1,191	(251)
Income tax effect	(244)	54
	947	(197)
Exchange differences on translation of foreign operations	(7,783)	(10,976)
	(6,836)	(11,173)
Items not to be reclassified to consolidated income statement:		
Remeasurement of defined benefit plan	24	(1,177)
Other comprehensive income for the year, net of tax	(6,812)	(12,350)
Total comprehensive income for the year	96,298	42,768
Attributable to:		
Equity holders of the parent	96,299	42,768
Non-controlling interests	(1)	-
	96,298	42,768

Consolidated balance sheet

As at 31 December 2015

	2015	2014
	£'000	£'000
Non-current assets		
Property, plant and equipment	57,132	79,940
Investment property	10,260	-
Intangible assets	81,533	90,344
Investment in associate	40	42
Deferred income tax asset	12,840	15,049
	161,805	185,375
Current assets		
Inventories	45,647	50,006
Trade and other receivables	621,756	695,915
Prepayments	44,735	52,688
Accrued income	61,785	50,869
Derivative financial instruments	2,220	2,434
Current asset investments	15,000	-
Cash and short-term deposits	111,770	129,865
	902,913	981,777
Total assets	1,064,718	1,167,152
Current liabilities		
Trade and other payables	581,855	635,279
Deferred income	93,861	106,862
Financial liabilities	4,279	6,850
Derivative financial instruments	922	389
Income tax payable	10,981	9,810
Provisions	4,050	9,808

695,948 768,998

Non-current liabilities

Financial liabilities	1,703	3,818
Provisions	5,094	8,176
Deferred income tax liabilities	523	748
	7,320	12,742
Total liabilities	703,268	781,740
Net assets	361,450	385,412

Capital and reserves

Issued capital	9,297	9,283
Share premium	3,830	4,597
Capital redemption reserve	74,957	74,957
Own shares held	(10,571)	(10,760)
Translation and hedging reserves	(11,161)	(4,326)
Retained earnings	295,086	311,648
Shareholders' equity	361,438	385,399
Non-controlling interests	12	13
Total equity	361,450	385,412

Approved by the Board on 11 March 2016

MJ Norris	FA Conophy
Chief Executive Officer	Group Finance Director

Consolidated statement of changes in equity

For the year ended 31 December 2015

Attributable to equity holders of the parent

Total Non- controlling Total

	Issued capital	Share premium	Capital redemption reserve	Own shares held	Translation & hedging reserves	Retained earnings	interests	equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2015	9,283	4,597	74,957	(10,760)	(4,326)	311,648	385,399	13 385,412
Profit for the year	-	-	-	-	-	103,110	103,110	- 103,110
Other comprehensive income	-	-	-	-	(6,835)	24	(6,811)	(1) (6,812)
Total comprehensive income	-	-	-	-	(6,835)	103,134	96,299	(1) 96,298
Cost of share-based payments	-	-	-	-	-	4,670	4,670	- 4,670
Tax on share-based payments	-	-	-	-	-	1,659	1,659	- 1,659
Exercise of options	-	-	-	9,967	-	(4,635)	5,332	- 5,332
Return of Value (RoV)	-	-	-	-	-	(97,916)	(97,916)	- (97,916)
Expenses on RoV	-	(753)	-	-	-	-	(753)	- (753)
Issues of B shares relating to RoV	14	(14)	-	-	-	-	-	- -
Purchase of own shares	-	-	-	(9,778)	-	-	(9,778)	- (9,778)
Equity dividends	-	-	-	-	-	(23,474)	(23,474)	- (23,474)
At 31 December 2015	9,297	3,830	74,957	(10,571)	(11,161)	295,086	361,438	12 361,450
At 1 January 2014	9,271	4,362	74,963	(11,976)	6,649	281,388	364,657	13 364,670
Profit for the year	-	-	-	-	-	55,117	55,117	1 55,118
Other comprehensive income	-	-	-	-	(10,975)	(1,373)	(12,350)	(1) (12,351)
Total comprehensive income	-	-	-	-	(10,975)	53,744	42,767	- 42,768
Prior period corrections	6	-	(6)	695	-	(695)	-	- -
Cost of share-based payments	-	-	-	-	-	2,810	2,810	- 2,810
Tax on share-based payments	-	-	-	-	-	39	39	- 39
Exercise of options	6	235	-	2,804	-	(965)	2,080	- 2,080
Purchase of own shares	-	-	-	(2,283)	-	-	(2,283)	- (2,283)
Equity dividends	-	-	-	-	-	(24,673)	(24,673)	- (24,673)
At 31 December 2014	9,283	4,597	74,957	(10,760)	(4,326)	311,648	385,399	13 385,412

Consolidated cash flow statement

For the year ended 31 December 2015

	2015	2014
	Note£'000	£'000
Operating activities		
Profit before tax	126,767	76,418
Net finance costs	573	229
Depreciation of property, plant and equipment	18,885	20,398
Depreciation of investment property	227	-
Amortisation of intangible assets	13,311	12,675
Share-based payments	4,670	2,810
Loss on disposal of property, plant and equipment	388	676
Loss on disposal of intangibles	9	1
Exceptional gain from disposal of a subsidiary	(42,155)	-
Net cash flow from inventories	(4,530)	5,834
Net cash flow from trade and other receivables	46,023	(51,167)
Net cash flow from trade and other payables	(43,073)	50,275
Net cash flow from provisions	(8,009)	(1,851)
Other adjustments	(137)	(473)
Cash generated from operations	112,949	115,825
Income taxes paid	(18,611)	(21,408)
Net cash flow from operating activities	94,338	94,417
Investing activities		
Interest received	1,598	1,615
Increase in current asset investments	(15,000)	-

Proceeds from disposal of a subsidiary, net of cash disposed of	56,145	-
Acquisition of subsidiaries, net of cash acquired	-	(465)
Proceeds from disposal of property, plant and equipment	653	44
Purchases of property, plant and equipment	(13,303)	(12,189)
Proceeds from disposal of intangible assets	-	1
Purchases of intangible assets	(7,294)	(5,494)
Net cash flow from investing activities	22,799	(16,488)
Financing activities		
Interest paid	(2,171)	(1,275)
Dividends paid to equity shareholders of the parent	7	(23,474) (24,673)
Return of Value	(97,916)	-
Expenses on Return of Value	(753)	-
Proceeds from share issues	5,332	1,791
Purchase of own shares	(9,778)	(2,283)
Repayment of capital element of finance leases	(3,223)	(4,983)
Repayment of loans	(1,713)	(7,767)
New borrowings	1,030	3,908
Net cash flow from financing activities	(132,666)	(35,282)
(Decrease)/increase in cash and cash equivalents	(15,529)	42,647
Effect of exchange rates on cash and cash equivalents	(1,937)	(3,835)
Cash and cash equivalents at the beginning of the year	129,146	90,334
Cash and cash equivalents at the year end	111,680	129,146

1 Authorisation of financial statements and statement of compliance with IFRS

The consolidated Financial Statements of Computacenter plc (Parent Company) for the year ended 31 December 2015 were authorised for issue in accordance with a resolution of the Directors on 11 March 2016. The balance sheet was signed on behalf of the Board by MJ Norris and FA Conophy. Computacenter plc is a limited company incorporated and domiciled in England whose shares are publicly traded.

The Group's Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS) as they apply to the Financial Statements of the Group for the year ended 31 December 2015 and applied in accordance with the Companies Act 2006.

2 Summary of significant accounting policies

Basis of preparation

The summary financial information set out above does not constitute the Group's statutory financial statements for the years ended 31 December 2015 or 2014. Statutory consolidated Financial Statements for the Group for the year ended 31 December 2014, prepared in accordance with adopted IFRS, have been delivered to the Registrar of Companies and those for 2015 will be delivered in due course. The auditors have reported on those accounts; their report was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of any emphasis without qualifying their opinion and (iii) did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

The financial information for the year ended 31 December 2015 has been prepared by the directors based upon the results and position that are reflected in the consolidated Financial Statements of the Group.

The consolidated Financial Statements are presented in Pound Sterling (£) and all values are rounded to the nearest thousand (£'000) except when otherwise indicated.

Significant accounting policies

The accounting policies adopted in the preparation of this summary financial information are consistent with those followed in preparation of the Group's consolidated Financial Statements for the year ended 31 December 2015.

In line with UK Corporate Governance Code requirements, the Directors have made enquiries concerning the potential of the business to continue as a going concern. Enquiries included a review of performance in 2015, 2016 annual plans, a review of working capital including the liquidity position, financial covenant compliance and a review of current cash levels.

As a result, they have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Given this expectation they have continued to adopt the going concern basis in preparing the Financial Statements.

Critical judgements and estimates

The preparation of Financial Statements requires Management to exercise judgement in applying the Group's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Due to the inherent uncertainty in making these critical judgements and estimates, actual outcomes could be different.

Critical Estimates

Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the year in which the estimates are revised and in any future years affected. The areas involving significant risk resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Impairment of intangible assets, goodwill and other non-current assets

Determining whether goodwill, intangible assets and other non-current assets are impaired requires an estimation of their recoverable amount which is the higher of either the value in use to the cash-generating units (CGU) to which these assets belong or the fair value less costs of disposal. The value in use calculation requires appropriate forecasts of future cash flows expected to arise for the CGU and the selection of suitable discount rates and future growth rates. The Group reviews impairment of these assets at least on an annual basis, or more frequently if there is an indicator of impairment.

Further detail on the impairment testing of intangible assets, goodwill and non-current assets is disclosed in note 15 to the Annual Report and Accounts (see note 2).

Provisions

Provisions are established by the Group based on Management's assessment of relevant information and advice available at the time of preparing the Financial Statements. Outcomes are uncertain and dependent on future events. Where outcomes differ from Management's expectations, differences from the amount initially provided will impact the income statement in the year the outcome is determined.

As disclosed in note 24 to the Annual Report and Accounts (see note 2), the Group's provisions principally relate to obligations arising from onerous lease property provisions, customer contract provisions, restructuring provisions and retirement benefit obligations. Further details of specific estimates used in arriving at these provisions are provided in the note.

Providing for doubtful debts

The Group provides services and equipment to business and public sector customers, mainly on credit terms. Management know that certain debts due to us will not be paid through the default of a small number of our customers. Estimates, based on our historical experience, are used in determining the level of debts that we believe will not be collected. These estimates include such factors as the current state of the economy, particular industry issues and the individual credit risk assessed against each customer. Refer to note 25 to the Annual Report and Accounts (see note 2) for further details on credit risk.

The value of the provision for doubtful debts is disclosed in note 18 to the Annual Report and Accounts (see note 2).

Taxation

In arriving at the current and deferred tax liability the Group has taken account of tax issues that are subject to ongoing discussions with the relevant tax authorities. Liabilities have been calculated based on Management's assessment of relevant information and advice. Where outcomes differ from the amounts initially recorded, such differences impact current and deferred tax amounts in the year the outcome is determined.

Further details on the deferred tax balances held at 31 December 2015 are disclosed in note 5d.

Revenue recognition

For a limited number of Services contracts, an estimate of the total contract costs and total contract revenues is required to determine the stage of completion.

The Group accounts for these contracts using the percentage-of-completion (units of work) method, recognising revenue and direct costs as performance on the contract progresses through the recorded utilisation of our services. This method places considerable importance on accurate estimates of the extent of progress towards completion of the contract and may involve estimates on the scope of services required for fulfilling the contractually defined obligations. These significant estimates include total contract costs, total contract revenues, contract risks, including technical risks, and other judgements. Under the percentage-of-completion method, changes in estimates may lead to an increase or decrease in revenue recognised at a point in time.

When the outcome of the contract cannot be estimated reliably, revenue is recognised only to the extent that expenses incurred are eligible to be recovered. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration.

Critical Judgements

Judgements made by Management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the Financial Statements:

Exceptional items

Management is required to exercise its judgement in the classification of certain items as exceptional and outside of the Group's adjusted results.

The Group presents as exceptional items on the face of the income statement, those material items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow shareholders to understand better elements of financial performance in the year, so as to facilitate comparison with prior years and to assess better trends in financial performance.

Management have considered the materiality, infrequency and nature of the French Social Plan against the requirements and guidance provided by

IAS 1, our Group accounting policies and recent press releases from the Financial Reporting Council (FRC). Management judged that classifying the scale and transformative nature of the restructuring programme in France and the subsequent expense related to the French Social Plan as an exceptional item in the income statement provides the best guidance as to the underlying profitability trends within the Group and to present the results of the Group in accordance with the policy above.

During 2015 the reversal of the unutilised portion of the onerous Services contracts provision was classified as an exceptional item as the original expense relating to the provision was classified as such in 2013.

Adjusted measures

The Group uses a number of non-Generally Accepted Accounting Practice (non-GAAP) financial measures in addition to those reported in accordance with IFRS. The Directors believe that these non-GAAP measures, listed below, are important when assessing the underlying financial and operating performance of the Group.

Adjusted revenue, adjusted Services revenue, adjusted Professional Services revenue, adjusted Supply Chain revenue, and adjusted administrative expenses excludes the revenue and administrative expenses from a disposed subsidiary, RDC, for both the current year and the comparative reporting year. RDC was sold on 2 February 2015.

Adjusted operating profit or loss, adjusted profit or loss before tax, adjusted profit or loss for the year, adjusted earnings per share and adjusted diluted earnings per share are, as appropriate, each stated before: exceptional and other adjusting items including gain or loss on business disposals, amortisation of acquired intangibles, utilisation of deferred tax assets (where initial recognition was as an exceptional item or a fair value adjustment on acquisition), and the related tax effect of these exceptional and other adjusting items, as Management do not consider these items when reviewing the underlying performance of the segment or the Group as a whole. Each of these measures also excludes the results of RDC for both the current and comparative periods.

Additionally, adjusted operating profit or loss includes of the interest paid on customer-specific financing (CSF) which Management considers to be a cost of sale.

A reconciliation between key adjusted and statutory measures is provided within the Group Finance Director's Review. Further detail is also provided in note 3, segment information.

3 Segment information

For Management purposes, the Group is organised into geographical segments, with each segment determined by the location of the Group's assets and operations. The Group's business in each geography is managed separately and held in separate statutory entities.

No operating segments have been aggregated to form the below reportable operating segments.

Management monitors the operating results of its geographical segments separately for the purposes of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on adjusted operating profit or loss which is measured differently from statutory operating profit or loss in the consolidated Financial Statements as defined above.

Segmental performance for the years ended 31 December 2015 and 2014 was as follows:

Year ended 31 December 2015

UK	Germany	France	Belgium	Total
£'000	£'000	£'000	£'000	£'000

Revenue

Adjusted Supply Chain revenue	875,041	820,196	335,024	33,686	2,063,947
Adjusted Services revenue					
Adjusted Professional Services revenue	137,390	107,416	16,101	1,645	262,552
Managed Services revenue	394,943	272,006	46,934	13,785	727,668
Total adjusted Services revenue	532,333	379,422	63,035	15,430	990,220
Total adjusted revenue	1,407,374	1,199,618	398,059	49,116	3,054,167

RDC

Supply Chain revenue	3,158	-	-	-	3,158
Professional Services revenue	290	-	-	-	290
Total RDC revenue	3,448	-	-	-	3,448
Statutory revenue	1,410,822	1,199,618	398,059	49,116	3,057,615

Results

Adjusted gross profit	216,445	147,346	32,083	6,258	402,132
Adjusted administrative expenses	(157,110)	(119,937)	(33,715)	(4,263)	(315,025)
Adjusted operating profit/(loss)	59,335	27,409	(1,632)	1,995	87,107
Adjusted net interest	601	(577)	(178)	(79)	(233)
Adjusted profit/(loss) before tax	59,936	26,832	(1,810)	1,916	86,874
Exceptional items:					
- onerous contracts trading losses	-	(1,123)	-	-	(1,123)
- onerous contracts provision for future losses	-	1,559	-	-	1,559
- exceptional losses on redundancy and other restructuring costs-	-	(1,465)	-	-	(1,465)
Total exceptional items	-	436	(1,465)	-	(1,029)
Exceptional gain on disposal of a subsidiary	42,155	-	-	-	42,155
Amortisation of acquired intangibles	(361)	(1,116)	-	(76)	(1,553)
RDC	320	-	-	-	320
Statutory profit/(loss) before tax	102,050	26,152	(3,275)	1,840	126,767

The reconciliation for adjusted operating profit to statutory operating profit as disclosed in the Consolidated Income Statement is as follows:

	UK	Germany	France	Belgium	Total
	£'000	£'000	£'000	£'000	£'000
Adjusted operating profit/(loss)	59,335	27,409	(1,632)	1,995	87,107
Add back interest on CSF	56	284	-	-	340
Amortisation of acquired intangibles	(361)	(1,116)	-	(76)	(1,553)
Exceptional items	-	436	(1,465)	-	(1,029)
RDC	320	-	-	-	320
Statutory operating profit/(loss)	59,350	27,013	(3,097)	1,919	85,185

Other segment information

Property, plant and equipment	34,037	14,286	7,210	1,599	57,132
Investment property	10,260	-	-	-	10,260
Intangible assets	63,173	16,520	56	1,784	81,533

Capital expenditure:

Property, plant and equipment	5,904	5,224	1,307	868	13,303
Software	6,052	1,186	50	6	7,294

Depreciation of property, plant and equipment	10,667	6,121	1,687	410	18,885
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Depreciation of investment property	227	-	-	-	227
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Amortisation of software	11,059	635	59	5	11,758
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Share-based payments	4,095	542	33	-	4,670
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Year ended 31 December 2014

UK	Germany	France	Belgium	Total
£'000	£'000	£'000	£'000	£'000

Revenue					
Adjusted Supply Chain revenue	878,145	774,913	393,406	34,580	2,081,044
Adjusted Services revenue					
Adjusted Professional Services revenue	125,610	108,950	19,752	2,113	256,425
Managed Services revenue	368,663	283,203	57,957	15,979	725,802
Total adjusted Services revenue	494,273	392,153	77,709	18,092	982,227
Total adjusted revenue	1,372,418	1,167,066	471,115	52,672	3,063,271
RDC					
Supply Chain revenue	41,197	-	-	-	41,197
Professional Services revenue	3,291	-	-	-	3,291
Total RDC revenue	44,488	-	-	-	44,488
Statutory revenue	1,416,906	1,167,066	471,115	52,672	3,107,759
Results					
Adjusted gross profit	209,555	151,682	31,757	6,120	399,114
Adjusted administrative expenses	(148,827)	(124,906)	(40,592)	(4,057)	(318,382)
Adjusted operating profit/(loss)	60,728	26,776	(8,835)	2,063	80,732
Adjusted net interest	929	452	(929)	(125)	327
Adjusted profit/(loss) before tax	61,657	27,228	(9,764)	1,938	81,059
Exceptional items:					
- onerous contracts trading losses	-	(3,824)	-	-	(3,824)
- onerous contracts provision for future losses	-	5,364	-	-	5,364
- exceptional losses on redundancy and restructuring costs-	-	-	(9,128)	-	(9,128)
Total exceptional items	-	1,540	(9,128)	-	(7,588)
Amortisation of acquired intangibles	(551)	(1,232)	-	(85)	(1,868)
RDC	4,815	-	-	-	4,815
Statutory profit/(loss) before tax	65,921	27,536	(18,892)	1,853	76,418

Subsequent to the disposal of RDC, Management does not consider the results of RDC when reviewing the results of its segments or Group as a whole. Therefore to be consistent and enable comparison, 2014 segmental information is revised to present RDC results separately in line with 2015 segmental information. This revised analysis may be reconciled to segmental information presented in the published 2014 accounts as follows:

	UK segment as presented in 2014 published Financial Statements £'000	Adjust for RDC £'000	UK segment as presented above £'000
Results			
Adjusted gross profit	219,789	(10,234)	209,555
Adjusted administrative expenses	(154,259)	5,432	(148,827)
Adjusted operating profit	65,530	(4,802)	60,728
Adjusted net interest	942	(13)	929
Adjusted profit before tax	66,472	(4,815)	61,657
Amortisation of acquired intangibles(551)		-	(551)
RDC	-	4,815	4,815
Statutory profit before tax	65,921	-	65,921

The reconciliation for adjusted operating profit to statutory operating profit as disclosed in the Consolidated Income Statement is as follows:

	UK £'000	Germany £'000	France £'000	Belgium £'000	Total £'000
Adjusted operating profit/(loss)	60,728	26,776	(8,835)	2,063	80,732
Add back interest on CSF	178	391	-	-	569
Amortisation of acquired intangibles	(551)	(1,232)	-	(85)	(1,868)
Exceptional items	-	1,540	(9,128)	-	(7,588)
RDC	4,802	-	-	-	4,802
Statutory operating profit/(loss)	65,157	27,475	(17,963)	1,978	76,647

Other segment information

Property, plant and equipment	53,719	16,540	8,009	1,672	79,940
Intangible assets	70,431	17,833	69	2,011	90,344

Capital expenditure:

Property, plant and equipment	4,802	7,344	759	1,172	14,077
Software	5,078	412	4	-	5,494
Depreciation of property, plant and equipment	10,719	7,505	2,047	127	20,398
Amortisation of software	10,018	706	83	-	10,807
Share-based payments	2,531	215	64	-	2,810

Information about major customers

Included in revenues arising from the UK segment are revenues of approximately £281 million (2014: £285 million) which arose from sales to the Group's largest customer. For the purposes of this disclosure a single customer is considered to be a group of entities known to be under common control. This customer consists of entities under control of the UK Government.

4 Exceptional items

	2015	2014
	£'000	£'000
Operating profit		
Redundancy and other restructuring costs	(1,465)	(9,128)
Onerous contracts	436	1,540
	(1,029)	(7,588)
Exceptional gain on disposal of a subsidiary	42,155	-
Exceptional items before taxation	41,126	(7,588)
Income tax		
Tax on onerous contracts included in operating profit	(52)	(185)
Exceptional items after taxation	41,074	(7,773)

2015:

Included within the current year are the following exceptional items:

· Computacenter (UK) Limited disposed of its wholly owned subsidiary RDC during the year. An exceptional gain of £42.2 million was recognised on the disposal. See note 16 to the Annual Report and Accounts (see note 2) for details. In line with our accounting policy, Management has elected under IAS 1 to report this gain as a separate line item on the face of the consolidated income statement due to the materiality, infrequency and nature

of this gain. As noted within the summary of significant accounting policies the adjusted results exclude this gain. This election provides the best guidance to users of our external reporting as to the underlying profitability trends within the Group and to present the results of the Group in a way that is fair, balanced and understandable.

· Computacenter France continued with its substantial restructuring exercise that began in 2014. An additional cost of £1.5 million has been recognised as part of the Social Plan. As the redundancy and restructuring costs were treated as an exceptional item on recognition, the further provision has also been treated as an exceptional item. Within this balance Management has provided for legal expenses of £0.4 million directly related to individual legal challenges to termination settlements provided under the Social Plan.

· The Group's remaining two onerous contracts continue to show operational improvements therefore Management has revised its estimates of the losses to be incurred. On this basis the Group has released £0.4 million of the provision. As the onerous contracts were treated as an exceptional item on recognition, the write back of the provision has also been released as an exceptional item.

2014:

Included within the prior year are the following exceptional items:

Computacenter France incurred an exceptional charge of £9.1 million relating to the estimated costs of a comprehensive restructuring plan with the Group's French business. The substantial restructuring exercise aimed to reduce the cost base, improve the competitiveness and therefore improve the profitability of the Group's French business.

In line with our accounting policy, Management elected under IAS 1 to report this provision under the heading of 'Exceptional Items' due to the materiality, infrequency and nature of the restructuring plan. This election provides the best guidance to users of our external reporting as to the underlying profitability trends within the Group and to present the results of the Group in a way that is fair, balanced and understandable. Excluding the costs related to the restructuring plan is consistent with treatment of similar costs in prior years and presents the adjusted profit before tax in a way that enables users to better assess the quality of the Group's underlying profitability.

The Group's three onerous contracts performed within the provisions previously taken, and one of these contracts came to an end as of 30 September 2014. A related legal dispute with a sub-contractor on one of these contracts, that was previously provided for, was resolved. Given these factors and ongoing operational improvements within the two remaining contracts, Management revised its estimates of the losses to be incurred. On this basis the Group released £1.5 million of the provision. As the onerous contracts were treated as an exceptional item on recognition, the write back of the provision was also released as an exceptional item.

5 Income tax

a) Tax on profit from ordinary activities

	2015	2014
	£'000	£'000
Tax charged in the consolidated income statement		
Current income tax		
UK corporation tax	14,639	17,048
Foreign tax		
- operating results before exceptional items	6,485	5,820
- exceptional items	-	(459)
Total foreign tax	6,485	5,361
Adjustments in respect of prior years	(232)	191
Total current income tax	20,892	22,600

Deferred tax

Operating results before exceptional items

- origination and reversal of temporary differences (1,276)(1,340)

- adjustments in respect of prior years (276) (604)

- changes in recoverable amounts of deferred tax assets 4,265 -

Exceptional items 52 644

Total deferred tax 2,765 (1,300)

Tax charge in the consolidated income statement 23,657 21,300

b) Reconciliation of the total tax charge

	2015	2014
	£'000	£'000
Accounting profit before income tax	126,767	76,418
At the UK standard rate of corporation tax of 20.25 per cent (2014: 21.49 per cent)	25,670	16,422
Expenses not deductible for tax purposes	1,187	1,173
Non-deductible element of share-based payment charge	128	60
Adjustments in respect of current income tax of previous years	(599)	(510)
Higher tax on overseas earnings	3,140	1,417
Other differences	(39)	(591)
Effect of changes in tax rate on deferred tax	220	-
Utilisation of previously unrecognised deferred tax assets	-	(3,238)
Overseas tax not based on earnings	1,065	1,345
Non-chargeable exceptional gain on disposal of subsidiary	(8,529)	-
Deferred tax not recognised on current year losses	1,414	5,222
At effective income tax rate of 18.7 per cent (2014: 27.9 per cent)	23,657	21,300

c) Tax losses

Deferred tax assets of £7.4 million (2014: £12.2 million) have been recognised in respect of losses carried forward.

In addition, at 31 December 2015, there were unused tax losses across the Group of £130.9 million (2014: £115.8 million) for which no deferred tax asset has been recognised. Of these losses, £33.5 million (2014: £35.9 million) arise in Germany and £93.3 million (2014: £78.9 million) arise in France. A significant proportion of the losses arising in Germany have been generated in statutory entities that no longer have significant levels of trade. The remaining unrecognised tax losses relate to other loss-making overseas subsidiaries.

d) Deferred tax

Deferred income tax at 31 December relates to the following:

	Consolidated balance sheet		Consolidated income statement and other comprehensive income	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Deferred income tax liabilities				
Accelerated capital allowances	1,197	1,781	(584)	(189)
Revaluations of foreign exchange contracts to fair value 370	-	-	370	-
Amortisation of intangibles	661	976	(315)	(309)
Gross deferred income tax liabilities	2,228	2,757		
Deferred income tax assets				
Relief on share option gains	2,590	1,645	(945)	(502)
Other temporary differences	4,348	3,205	(364)	(1,118)
Revaluations of foreign exchange contracts to fair value 176		54	(122)	273
Losses available for offset against future taxable income	7,431	12,155	4,725	545
Gross deferred income tax assets	14,545	17,059		
Deferred income tax (credit)/charge			2,765	(1,300)
Net deferred income tax assets	12,317	14,301		
Disclosed on the consolidated balance sheet				
Deferred income tax assets	12,840	15,049		
Deferred income tax liabilities	(523)	(748)		
Net deferred income tax assets	12,317	14,301		

At 31 December 2015, there was no recognised or unrecognised deferred income tax liability (2014: £nil) for taxes that would be payable on the unremitted earnings of the Group's subsidiaries as the Group expects that future remittances of earnings from its overseas subsidiaries will be covered by the UK dividend exemption.

e) Impact of rate change

The main rate of UK Corporation will be reduced to 19 per cent from 1 April 2017 and 18 per cent from 1 April 2020, as enacted in the Finance Act 2015. The deferred tax in these Financial Statements reflects this.

6 Earnings per share

Earnings per share ('EPS') amounts are calculated by dividing profit attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year (excluding own shares held).

To calculate diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential shares. Share options granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the year are considered to be dilutive potential shares.

2015	2014
£'000	£'000

Profit attributable to equity holders of the parent 103,110 55,117

2015	2014
£'000	£'000

Basic weighted average number of shares (excluding own shares held) 122,948 135,985

Effect of dilution:

Share options	2,655	1,784
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Diluted weighted average number of shares	125,603	137,769
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2015	2014
pence	pence

Basic earnings per share 83.9 40.5

Diluted earnings per share 82.1 40.0

Return of Value

On 20 February 2015 (the Issue Date), Computacenter Plc (the Company) effected a capital reorganisation (the Capital Reorganisation) in order to facilitate the Return of Value to shareholders. As part of the Capital Reorganisation, each existing ordinary share of 6²/₃ each was subdivided into 15 undesignated shares of 4¹/₉ pence each, and immediately following such subdivision every 17 undesignated shares were consolidated into 1 new ordinary share of 7⁵/₉ pence each. Additionally on the Issue Date, an amount of 14,500 standing to the credit of the Company's share premium account was applied to pay up in full 145,000,000 non-redeemable B shares with a nominal value of 0.01 pence each. The total number of B shares actually issued to shareholders were 139,012,000. Immediately after the issue of B shares relating to Return of Value, total B shares of the Company

were converted to deferred shares.

As part of the Return of Value, Shareholders were able to elect between the following alternatives in relation to their B Shares:

Alternative 1 - Single B Share Dividend (Income)

Shareholders could elect to receive the Single B Share Dividend of 71.9 pence per B Share in respect of all of their B Shares.

Alternative 2 - Purchase Offer (Capital)

Alternatively, Shareholders (other than US Shareholders) could elect for all of their B Shares to be purchased by Investec Bank plc, acting as principal on 23 February 2015, at 71.9 pence per B Share, free of all dealing expenses and commissions.

7 Dividends paid and proposed

2015	2014
£'000	£'000

Declared and paid during the year:

Equity dividends on Ordinary Shares:

Final dividend for 2014: 13.1 pence (2013: 12.3 pence)	15,776	16,636
First interim dividend for 2015: 6.4 pence (2014: 5.9 pence)	7,698	8,037
	23,474	24,673

Proposed (not recognised as a liability as at 31 December)

Equity dividends on Ordinary Shares:

Second interim dividend for 2015: 15.0 pence (2014: nil pence)	18,399	-
Final dividend for 2015: nil pence (2014: 13.1 pence)	-	15,737

8 Analysis of changes in net funds

	At				At
	1 January	Cash flows	Non-cash	Exchange	31 December
	2015	in year	flow	differences	2015
	£'000	£'000	£'000	£'000	£'000
Cash and short-term deposits	129,865	(16,113)	-	(1,982)	111,770
Bank overdraft	(719)	584	-	45	(90)

Cash and cash equivalents	129,146	(15,529)	-	(1,937)	111,680
Current asset investments	-	15,000	-	-	15,000
Bank loans	(120)	107	-	8	(5)
Other loans non-CSF	(517)	517	-	-	-
Net funds excluding CSF	128,509	95	-	(1,929)	126,675
CSF leases	(6,696)	2,193	(175)	305	(4,373)
Customer specific other loans	(2,616)	1,089	-	-	(1,514)
Total CSF	(9,312)	3,282	(175)	305	(5,887)
Net funds	119,197	3,377	(175)	(1,624)	120,788

	At		At		
	1 January	Cash flows	Non-cash	Exchange	31 December
	2014	in year	flow	differences	2014
	£'000	£'000	£'000	£'000	£'000
Cash and short-term deposits	91,098	42,682	-	(3,915)	129,865
Bank overdraft	(764)	(35)	-	80	(719)
Cash and cash equivalents	90,334	42,647	-	(3,835)	129,146
Bank loans	(63)	(61)	-	4	(120)
Other loans non-CSF	-	(517)	-	-	(517)
Net funds excluding CSF	90,271	42,069	-	(3,831)	128,509
CSF leases	(11,577)	4,983	(342)	240	(6,696)
Customer specific other loans	(7,280)	4,664	-	-	(2,616)
Total CSF	(18,857)	9,647	(342)	240	(9,312)
Net funds	71,414	51,716	(342)	(3,591)	119,197

9 Related party transactions

During the year the Group entered into transactions, in the ordinary course of business, with related parties. Transactions entered into are as described below:

Biomni provides the Computacenter e-procurement system used by many of Computacenter's major customers. An annual fee has been agreed on a commercial basis for use of the software for each installation. Both PJ Ogden and PW Hulme are Directors of and have a material interest in Biomni Limited.

Triage Services Limited mainly provides IT hardware repair services to many of Computacenter's customers. MJ Norris is a Director of and has a material interest in Triage Services Limited.

The table below provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

	Sales to related parties £'000	Purchases from related parties £'000	Amounts owed to related parties £'000
Biomni Limited	10	946	29
Triage Services Limited-		43	43
	10	989	72

Terms and conditions of transactions with related parties

Sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables. The Group has not recognised any provision for doubtful debts relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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